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July 12, 1995

**VIA FACSIMILE
(505) 827-8177**

Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

**Re: OPPOSITION TO REQUEST FOR CONTINUANCE
REQUEST FOR EMERGENCY ORDER
NMOCD Case 11334
Application of Phillips Petroleum Company
for determination in accordance with Section
70-2-33(H) NMSA of proportionate share of
recoverable hydrocarbons and for the adoption
of a special allowable for the South Peterson-
Fusselman Oil Pool, Roosevelt County, New Mexico**

Dear Mr. Stogner:

I have just received notice of a Request for Continuance to be filed with the Division this morning by Mr. Carr on behalf of Enserch Exploration Inc. in which he seeks to continue the referenced case which is now set for hearing tomorrow.

Phillips Petroleum Company is opposed to any continuance of this matter because:

(1) Enserch has simply waited too long to seek a continuance--one of Phillips' witnesses is already in Santa Fe and the other one is in route from Midland to Santa Fe this morning;

(2) Time is of the essence because the new 500 BOPD allowable for this pool is so high that it is damaging the ability of the two Phillips wells to recover their share of the oil from the pool;

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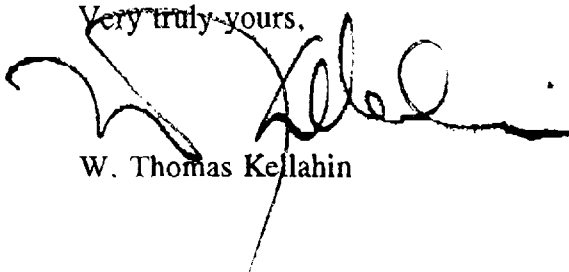
(3) Since approximately May 8, 1995, Enserch has had a copy of Phillips Petroleum Company's Application for Rehearing filed in Case 10994 (DeNovo) which contains the details, data and exhibits concerning the new evidence issue;

(4) The new evidence consists of production data since December, 1994 which was not available at the time of the prior hearing and which has been updated and provided to Enserch in response to its request.

(5) Phillips' exhibits are petroleum engineering exhibits based upon this production data.

Phillips requests that Enserch's request be **denied**. In the alternative, should the Division grant a continuance to Enserch that the Division also enter an **emergency order** reducing the allowable for this pool back to 267 BOPD pending a final order in this case.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over the typed name.

W. Thomas Kellahin

*cc: Enserch Exploration Inc.
Attn: William F. Carr, Esq.
cc: Phillips Petroleum Company
Attn: Reese S. Copeland.*